

104TH CONGRESS
1ST SESSION

S. 947

To amend title VIII of the Elementary and Secondary Education Act of 1965 regarding impact aid payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 20 (legislative day, JUNE 19), 1995

Mr. PRESSLER (for himself and Mr. DASCHLE) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To amend title VIII of the Elementary and Secondary Education Act of 1965 regarding impact aid payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. IMPACT AID.**

4 (a) HOLD-HARMLESS AMOUNTS FOR PAYMENTS RE-
5 LATING TO FEDERAL ACQUISITION OF REAL PROP-
6 ERTY.—Section 8002 of the Elementary and Secondary
7 Education Act of 1965 (20 U.S.C. 7702) is amended by
8 adding at the end the following new subsections:

9 “(g) FORMER DISTRICTS.—

1 “(1) IN GENERAL.—Where the school district of
2 any local educational agency described in paragraph
3 (2) is formed at any time after 1938 by the consoli-
4 dation of two or more former school districts, such
5 agency may elect (at any time such agency files an
6 application under section 8005) for any fiscal year
7 to have (A) the eligibility of such local educational
8 agency, and (B) the amount which such agency shall
9 be eligible to receive, determined under this section
10 only with respect to such of the former school dis-
11 tricts comprising such consolidated school districts
12 as such agency shall designate in such election.

13 “(2) ELIGIBLE LOCAL EDUCATIONAL AGEN-
14 CIES.—A local educational agency referred to in
15 paragraph (1) is any local educational agency that,
16 for fiscal year 1994 or any preceding fiscal year, ap-
17 plied for and was determined eligible under section
18 2(c) of the Act of September 30, 1950 (Public Law
19 874, 81st Congress) as such section was in effect on
20 September 30, 1994.

21 “(h) HOLD-HARMLESS AMOUNTS.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2)(A), the total amount that the Secretary
24 shall pay a local educational agency under sub-
25 section (b)—

1 “(A) for fiscal year 1995 shall not be less
2 than 85 percent of the amount such agency re-
3 ceived for fiscal year 1994 under section 2 of
4 the Act of September 30, 1950 (Public Law
5 874, 81st Congress) as such section was in ef-
6 fect on September 30, 1994; or

7 “(B) for fiscal year 1996 shall not be less
8 than 85 percent of the amount such agency re-
9 ceived for fiscal year 1995 under subsection (b).

10 “(2) RATABLE REDUCTIONS.—(A)(i) If nec-
11 essary in order to make payments to local edu-
12 cational agencies in accordance with paragraph (1)
13 for any fiscal year, the Secretary first shall ratably
14 reduce payments under subsection (b) for such year
15 to local educational agencies that do not receive a
16 payment under this subsection for such year.

17 “(ii) If additional funds become available for
18 making payments under subsection (b) for such
19 year, then payments that were reduced under clause
20 (i) shall be increased on the same basis as such pay-
21 ments were reduced.

22 “(B)(i) If the sums made available under this
23 title for any fiscal year are insufficient to pay the
24 full amounts that all local educational agencies in all
25 States are eligible to receive under paragraph (1)

1 after the application of subparagraph (A) for such
2 year, then the Secretary shall ratably reduce pay-
3 ments under paragraph (1) to all such agencies for
4 such year.

5 “(ii) If additional funds become available for
6 making payments under paragraph (1) for such fis-
7 cal year, then payments that were reduced under
8 clause (i) shall be increased on the same basis as
9 such payments were reduced.”.

10 (b) COMPUTATION OF PAYMENT.—Paragraph (3) of
11 section 8003(a) of such Act (20 U.S.C. 7703(a)) is
12 amended by striking “and such” and inserting “, or such”.

13 (c) PAYMENTS FOR ELIGIBLE FEDERALLY CON-
14 NECTED CHILDREN.—Subsection (f) of section 8003 of
15 such Act (20 U.S.C. 7703) is amended—

16 (1) in paragraph (2)—

17 (A) in the matter preceding clause (i) of
18 subparagraph (A), by striking “only if such
19 agency” and inserting “if such agency is eligible
20 for a supplementary payment in accordance
21 with subparagraph (B) or such agency”; and

22 (B) by adding at the end the following new
23 subparagraph:

24 “(C) A local educational agency shall only
25 be eligible to receive additional assistance under

1 this subsection if the Secretary determines
2 that—

3 “(i) such agency is exercising due dili-
4 gence in availing itself of State and other
5 financial assistance; and

6 “(ii) the eligibility of such agency
7 under State law for State aid with respect
8 to the free public education of children de-
9 scribed in subsection (a)(1) and the
10 amount of such aid are determined on a
11 basis no less favorable to such agency than
12 the basis used in determining the eligibility
13 of local educational agencies for State aid,
14 and the amount of such aid, with respect
15 to the free public education of other chil-
16 dren in the State.”; and

17 (2) in paragraph (3)—

18 (A) in subparagraph (A)—

19 (i) in the matter preceding clause (i),
20 by inserting “(other than any amount re-
21 ceived under paragraph (2)(B))” after
22 “subsection”;

23 (ii) in subclause (I) of clause (i), by
24 striking “or the average per-pupil expendi-
25 ture of all the States”;

1 (iii) by amending clause (ii) to read as
2 follows:

3 “(ii) The Secretary shall next multiply
4 the amount determined under clause (i) by
5 the total number of students in average
6 daily attendance at the schools of the local
7 educational agency.”; and

8 (iv) by amending clause (iii) to read
9 as follows:

10 “(iii) The Secretary shall next sub-
11 tract from the amount determined under
12 clause (ii) all funds available to the local
13 educational agency for current expendi-
14 tures, but shall not so subtract funds pro-
15 vided—

16 “(I) under this Act; or

17 “(II) by any department or agen-
18 cy of the Federal Government (other
19 than the Department) that are used
20 for capital expenses.”; and

21 (B) by amending subparagraph (B) to read
22 as follows:

23 “(B) SPECIAL RULE.—With respect to
24 payments under this subsection for a fiscal year
25 for a local educational agency described in

1 clause (ii) or (iii) of paragraph (2)(A), the max-
 2 imum amount of payments under this sub-
 3 section shall be equal to—

4 “(i) the product of—

5 “(I) the average per-pupil ex-
 6 penditure in all States multiplied by
 7 0.7, except that such amount may not
 8 exceed 125 percent of the average per-
 9 pupil expenditure in all local edu-
 10 cational agencies in the State; multi-
 11 plied by

12 “(II) the number of students de-
 13 scribed in subparagraph (A) or (B) of
 14 subsection (a)(1) for such agency;
 15 minus

16 “(ii) the amount of payments such
 17 agency receives under subsections (b) and
 18 (d) for such year.”.

19 (d) CURRENT YEAR DATA.—Paragraph (4) of section
 20 8003(f) of such Act (20 U.S.C. 7703(f)) is amended to
 21 read as follows:

22 “(4) CURRENT YEAR DATA.—For purposes of
 23 providing assistance under this subsection the Sec-
 24 retary—

1 “(A) shall use student and revenue data
2 from the fiscal year for which the local edu-
3 cational agency is applying for assistance under
4 this subsection; and

5 “(B) shall derive the per-pupil expenditure
6 amount for such year for the local educational
7 agency’s comparable school districts by increas-
8 ing or decreasing the per pupil expenditure data
9 for the second fiscal year preceding the fiscal
10 year for which the determination is made by the
11 same percentage increase or decrease reflected
12 between the per pupil expenditure data for the
13 fourth fiscal year preceding the fiscal year for
14 which the determination is made and the per
15 pupil expenditure data for such second year.”.

16 (e) SPECIAL RULE FOR 1994 PAYMENTS.—The Sec-
17 retary shall not consider any payment to a local edu-
18 cational agency by the Department of Defense, that is
19 available to such agency for current expenditures and used
20 for capital expenses, as funds available to such agency for
21 purposes of making a determination for fiscal year 1994
22 under section 3(d)(2)(B)(i) of the Act of September 30,
23 1950 (Public Law 874, 81st Congress) (as such Act was
24 in effect on September 30, 1994).

25 (f) APPLICATIONS FOR INCREASED PAYMENTS.—

1 (1) PAYMENTS.—Notwithstanding any other
2 provision of law—

3 (A) the Bonesteel-Fairfax School District
4 Number 26–5, South Dakota, and the Wagner
5 Community School District Number 11–4,
6 South Dakota, shall be eligible to apply for pay-
7 ment for fiscal year 1994 under section
8 3(d)(2)(B) of the Act of September 30, 1950
9 (Public Law 874, 81st Congress) (as such sec-
10 tion was in effect on September 30, 1994); and

11 (B) the Secretary of Education shall use a
12 subgroup of 10 or more generally comparable
13 local educational agencies for the purpose of
14 calculating a payment described in subpara-
15 graph (A), and the local contribution rate appli-
16 cable to such payment, for a local educational
17 agency described in such subparagraph.

18 (2) APPLICATION.—In order to be eligible to re-
19 ceive a payment described in subsection (a), a school
20 district described in such subsection shall apply for
21 such payment within 30 days after the date of en-
22 actment of this Act.

23 (3) CONSTRUCTION.—Nothing in this section
24 shall be construed to require a local educational
25 agency that received a payment under section

1 3(d)(2)(B) of the Act of September 30, 1950 (Public
2 Law 874, 81st Congress) (as such section was in ef-
3 fect on September 30, 1994) for fiscal year 1994 to
4 return such payment or a portion of such payment
5 to the Federal Government.

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